CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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- 1. A great effort is undoubtedly being made in Hungary to increase production of consumer goods. So far, however, this effort has had little effect on the standard of living; goods are still in short supply, and prices beyond the purse of the vast majority of the population.
- In a recent talk to factory managers, Janos Cserge, who has replaced Mihaly Zsofinyec as Minister of the Metallurgy and Machine Industry (M.M.M.I.), announced that the production of consumer goods must be increased by 470%.
- There have been a number of dismissals in the heavy industry. Many of those who lost their jobs instead of leaving the towns, have obtained permits to practice as independent artisans or work in "cottage" industries. A number of former artisans have been given back their work permits.
- 4. A new department has been set up in the M.M.M.I. to deal with consumer goods, including household electrical appliances. An increased number of such goods is already appearing in the shops, in spite of the prohibitive prices.
- 5. The department of the M.M.M.I. dealing with agricultural machinery has received instructions to increase the output as part of the drive to produce more food.
- 6. Three factories, producing electrical equipment plugs, switches, leads, etc. up to 250 volts, which are under the direction of the Electrical Equipment Section of the M.M.M.I., will, according to plan, have their production increased. So far there has been no change. Output for 1954 of the three factories concerned is estimated at about two million items, with an average value of five forints. The factories concerned (the only ones controlled by the section) are:

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	Szallai István Ekka	Budapest	Employing		
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